

App. F. IX-4

Previous References.

65/P.S.

Later References.

✓
1946-47

~~1946-47~~
(Edul)

File No. 22-46

Serial Nos. 1-2

GENERAL AND REVENUE SECRETARIAT

Serial Nos. 2

Part B for

SUBJECT

July '46.
Calculation of reg. returns on
the Capital Outlay.

No. E. O. S. 141-3 of 13-7-'46

Edul

To,

The C. E. E.

Comptroller to Govt.

Auditor, E. O.

Approves the proposal of
the C. E. E. &

23/7

Calculation of required returns on the capital outlay

C. F. 69]

Continuation Sheet.

File No.
Current No.

of

Page.

1921

Letter No. 28111 dated ~~the~~ 1st/13th April 1946 from the Chief Electrical Engineer

Requests sanction of Govt. for the continuance of the existing procedure on a permanent basis.

In this office letter dated the 27th May 1st June 1942 sanction was accorded for the continuance, during the period of war, the existing practice of calculating the required return on capital outlay, by including the cost of meters in the capital cost of installations and giving the consumers the benefit of counting the meter hire paid by them towards the guaranteed minimum return on the capital cost.

2 - Now that the war is over, the C.E.E. reports that the above procedure is found to be simple and equitable and he therefore requests that the procedure may be continued permanently.

3. Submitted for orders

4) In original form. C.E.E. may be approved for reasons furnished at A. with full concurrence

5) See 5) 24/4/46
6) See 5) 24/4/46

7) See 5) 24/4/46
8) See 5) 24/4/46
9) See 5) 24/4/46
10) See 5) 24/4/46

Rey ce Para 24
The attached Collection
(tag A) reverse

FINAN
7065
25/4
BANGALORE

U.O. NO. 8 DS III / 30-4-1946

WD 0726-GPB-25,000-15-9-44

The Comptroller
General of Accounts
is determined

✓ Calculation of required returns on the Capital Outlay.

Continuation Sheet.

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of

1921
elc

Page.

U.O.No. 666/Spl. dated 20-6-1946,

Returned with compliments.

8) A detailed note (No. 7028 dated 18-6-1946) by the Auditor, Electrical Department is enclosed. In the circumstances explained therein, I agree that the proposal of the Chief Electrical Engineer may be approved.

Shawanna

Comptroller.

Fin² Secy) *kw* 21/6

10) The commission need not be accepted

B
28/6

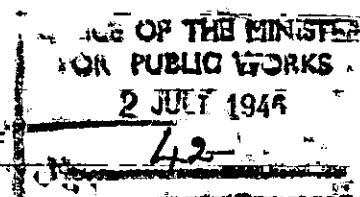


11) Proposal of the C.E.E. re: the calculation of required returns on the Capital Outlay, agreed to by the Comptroller & Fin² Secy, may be approved.

Min P.W.) *kw* 2/46

12) *kw* 3/46

13) *kw* 2/46



14) A draft of is sent up for approval

5/7/46

kw 6/46

Issue *kw* 9/46

File: Secy. has agreed.

Draft has been

15/7/46

Issued in no. DS 141-43/Blair 22-46-2 dt 13-7-46. To the C.E.E., the Comptroller (Genl Secy) and A.E.D.

TELEPHONE No. 2110.



TELEGRAPHIC ADDRESS:

"GOMED"

CODES USED
BENTLEY'S LIEBER'S
A. B. C. 6TH EDITION
BUSINESS TELEGRAPH CODE.

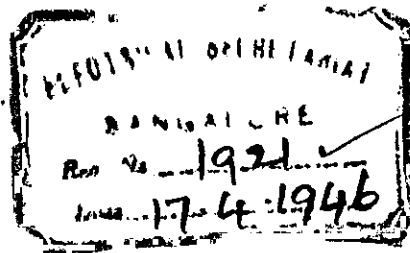
To

The Secretary to Government,
Electrical Department,
Bangalore.

GOVERNMENT OF MYSORE
ELECTRICAL DEPARTMENT

OFFICE OF THE CHIEF ELECTRICAL ENGINEER

Bangalore, 1st April 1946.
(MYSORE, S. INDIA.)
1315



Sir,

Calculation of required returns on the Capital
Outlay.

I have the honour to invite kind reference to your letter No. EDS.3966 dated 27-5-42/1-6-42, conveying approval for the continuance during the period of War the practice of calculating the required return on Capital Outlay, by including the cost of meter in the capital cost of installations and giving the Consumer the benefit of counting the meter hire paid by him towards the guaranteed minimum return on the capital cost. Now that the War has ended, sanction of Government is necessary for the continuance or otherwise of this arrangement. I wish, however, to state that the above procedure is found to be single and equitable and for the reasons already explained in this office letter No.20443 dated 8-3-1942, may be allowed to be continued permanently.

I, therefore, request you to kindly obtain sanction of Government for the continuance of the existing procedure on a permanent basis.

I have the honour to be,
Sir,
Your most obedient servant

I agree to the existing procedure being continued on a permanent basis.

Chief Electrical Engineer.

AUDITOR,
Electrical Department.

1177 ✓

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Comptroller's Office, Bangalore.

No. 1535 / Spl.

Dated the 1st May 1946

U.O. File No. 702/Spl. dated 30-4-1946 from the Secretary, Electrical Dept.
re, the Calculation of required returns on the Capital Outlay.

It is seen from the note on the C.E.E's letter No. 28111 dated 13-4-1946 that the Auditor, Electrical Department, has agreed to the existing procedure being continued on a permanent basis. This is at variance with the opinion of the previous Auditor (vide U.O. Note No. 9917/AFD dated 27-4-1942) and the remarks of this office dated 1-5-1942 (vide Para 20 on Page 8 of the file). The matter may therefore be further examined and the file which is herewith sent may please be returned very early with a detailed note.

M. Shamaiah

Comptroller.

The Auditor,
Electrical Department,
Bangalore.

U.O. file No.702/Spl. dated 30-3-46, from the Secretary, Electrical Dept., re: the calculation of required returns on the Capital Outlay: - received with Comptroller's No.1535/Spl. dated 1-5-46.

Returned with compliments to the Comptroller to the Government of Mysore, Bangalore.

1. I am aware of the views of my predecessor in this matter. But I agreed with the proposal of the Chief Electrical Engineer for the continuance of the existing practice, viz., inclusion of the cost of meter in the Capital Outlay and giving the consumer the benefit of counting the meter hire paid by him towards the guaranteed return, for the following reasons:-

Subsequent to the note of the previous Auditor dated 27th April 42, the conditions of Power Supply have altered in some important respects:

1) In G.O. No.EDS.588-90 dated 27-8-42, Government have waived the Line Minimum of Industrial Installations after the first five years:

ii) And in G.O. No.EDS.964-81 dated 29th December 43, they have also waived the line minimum entirely in the case of Farm Power and Irrigation Pumping Installations (though it has been partially revived in respect of works costing more than Rs.3,000/-).

The change of procedure, therefore, affects only a very small section of the consumers, viz., only Industrial Consumers during the first 5 years, and particularly, when their consumption is less than the minimum.

2. Under the existing procedure, the task of billing is simpler and less liable to the commission of errors than under the other one involving

the exclusion of the cost of meter from the Capital Outlay and of Meter Hire from Revenue, which entails extra work and which, if not done with care, will result in erroneous claims.

3. The Meter Hire levied not being proportional to the cost of the meter, the only way of easing the burden seems to be to give the consumer the benefit of counting this levy towards the guaranteed return.

4. The practice has long been in existence in the Department, and if changed now, may give rise to clamour from consumers all over the State.

5. I do not see that the continuance contravenes any fundamental accounting rules.

J. Venkatarangam
AUDITOR,
Electrical Department. 1876

SUBJECT..... *Calculation of required return on the*
Capital outlay

Diary No. of letter replied to..... *1921*

General and Revenue Secretariat.

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the 194 . }

Date of issue..... *13-7-'46* 194

Signed by *Mr. P. R. Raju*

May this be—

- (i) printed ?
- (ii) treated as a Standing Order ?
- (iii) published in the Gazette,
English Part ?
- (iv) translated ?
- (v) placed at the disposal of the Press ?
- (iv) published in the Gazette,
Kannada Part ?

Section. *Edel*

File No. *22-46.*

Serial No. *2*

Proceedings of the Government of
His Highness the Maharaja of Mysore.

Read—

Letter No. EDS. 3966 dated
the 1st June 1942 approving
of the continuance during
the period of war the
practice of calculating the
required return on capital
outlay by including the
cost of meter in
the Capital cost of installation
& giving the consumer the
benefit of counting the meter
hire paid by him towards
the guaranteed minimum
return on the Capital cost.

2. Letter No. 28111 dated

Alh
10/7

the 1st/13th April 1946 from
the C.R.C. requesting sanction
of Govt. for the continuance
of the existing procedure
of calculating the required
return on the capital outlay
on a permanent basis.

Order No EDS. 141-3/Elec
Dy 13 July 1946.

The proposal of the C.R.C. is
approved under the circumstances
reported.

40
K/92ub
Secretary to Govt,
Electrical Dept.
12/5/7 Nu 5/7/46.

The C.R.C.

The Comptroller to Govt.
(thru. Finl Sectt.)
The Auditor, Elec. Dept.

List of Enclosures

Copied by

Examined by